

**CITY OF SHOREVIEW
MINUTES
REGULAR CITY COUNCIL MEETING
September 6, 2016**

CALL TO ORDER

Mayor Martin called the regular meeting of the Shoreview City Council to order at 7:00 p.m. on September 6, 2016.

PLEDGE OF ALLEGIANCE

The meeting opened with the Pledge of Allegiance.

ROLL CALL

The following members were present: Mayor Martin; Councilmembers Johnson, Quigley, Springhorn and Wickstrom

APPROVAL OF AGENDA

MOTION: by Councilmember Johnson, seconded by Councilmember Springhorn, to approve the September 6, 2016 agenda as submitted.

VOTE: Ayes - 5 Nays - 0

PROCLAMATIONS AND RECOGNITIONS

There were none.

CITIZEN COMMENTS

There were none.

COUNCIL COMMENTS

Mayor Martin:

The Community Center swimming pool is closed until Friday, September 23, 2016, for annual maintenance. Also, there is no hot water in the building, as the hot water heater is being replaced.

Nominations are being accepted for the Annual Citizen of the Year Award. Detailed information and application form are on the City website. The deadline for nominations is October 1, 2016. The Farmers' Market continues until mid-October.

Councilmember Springhorn:

Reminder to watch for children now back in school.

Northeast Youth and Family Services Annual Fundraiser tickets are available. It is an evening of good food, a silent auction and a good time for a good cause. The tickets are \$30. Tickets are less expensive when purchased ahead of time rather than at the door.

CONSENT AGENDA

The first three items, Council Meeting Workshop Minutes for August 8, 2016; Council Meeting Minutes for August 15, 2016; and Minutes for the Special Council Meeting, August 22, 2016, were pulled for separate consideration.

MOTION: by Councilmember Wickstrom, seconded by Councilmember Quigley, to adopt the Consent Agenda for September 6, 2016, and all relevant resolutions for item Nos. 4 through 13:

4. Receipt of Committee/Commission Minutes:
 - Bikeways & Trailways, August 4, 2016
 - Environmental Quality Commission, August 22, 2016
 - Planning Commission, August 23, 2106
5. Verified Claims in the Amount of \$2,148,023.49
6. Purchases
7. Site and Building Plan Review - 4294 Hodgson Road, River of Life Church
8. Comprehensive Sign Plan - 3999 Rice Street, Thomas Schuette, Tyme Properties
9. Approval Final Payment - 2016 Seal Coat, Project 16-04
10. Authorize Professional Services Agreement - Storm Water Pond Assessment Prioritization Ranking
11. Amendment to Professional Services Agreement - Water Treatment Plant, City Project 14-02
12. Award of Quote for Wilson Park Playground Equipment Site Work
13. 2017 Community Center Rates, Ordinance No. 946

VOTE: Ayes - 5 Nays - 0

MOTION: by Councilmember Wickstrom, seconded by Councilmember Springhorn, to approve the August 8, 2016 City Council Workshop Minutes and the August 15, 2016 City Council Meeting Minutes as submitted.

VOTE: Ayes - 4 Nays - 0 Abstain - 1 (Johnson)

Councilmember Johnson abstained, as she did attend those meetings.

MOTION: by Councilmember Springhorn, seconded by Councilmember Quigley, to approve the minutes for the Special Council Meeting on August 22, 2016, as submitted.

VOTE: Ayes - 3 Nays - 0 Abstain - 2 (Johnson, Wickstrom)

Councilmembers Johnson and Wickstrom abstained, as they did not attend the meeting.

PUBLIC HEARINGS

There were none.

GENERAL BUSINESS

COMPREHENSIVE PLAN AMENDMENT, REZONING, PRELIMINARY PLAT, PUD - DEVELOPMENT STAGE - 3527 RICE STREET, ELEVAGE DEVELOPMENT GROUP LLC

Presentation by City Planner Kathleen Castle

Four applications have been submitted by Elevage Development Group (EDG): 1) a Comprehensive Plan Amendment, 2) Rezoning, 3) Preliminary Plat, and 4) Planned Unit Development (PUD) - Development Stage Amendment. The proposal is for the property at 3527 Rice Street to be incorporated into the approved mixed use PUD for the property at the northwest corner of Rice Street and County Road E immediately to the south. The property was acquired shortly after approvals were granted for the mixed use development. The Development Agreement for the mixed use PUD states that the property at 3527 shall remain single-family residential use until a redevelopment plan for this specific property is approved. An amended development plan is proposed that would allow modification of the originally proposed parking to make a parking lot on the 3527 property.

The Planning Commission considered this application at its August 30, 2016 meeting and held a public hearing. The Planning Commission concerns focused on:

- The impact to adjoining single-family uses;
- The fact that there would be a reduction of underground parking for a small net gain of surface parking;
- The setback from the north property line;
- The design of the walking path;
- The amount of green space and landscaped buffer from adjacent residential property.

The Planning Commission stated that benefits are not evident and recommended denial on a vote of 5 to 1.

Since the Planning Commission meeting, EDG has revised the plan to increase the setback of the parking lot from the north property line from 24 feet to 33 feet. The walking path was redesigned to follow the perimeter of the parking area to Rice Street. The parking lot design adds surface parking of 133 stalls and reduces below grade parking to 143 stalls for a total of 276 stalls. City Code requires 1 underground parking stall per unit. With 134 units, the 143 underground parking stalls exceeds City standards. On the recommendation of the developer's consultant, underground parking will be used by residents of the units only for security reasons.

Therefore, with the addition of the property at 3527 Rice Street to the plat, additional surface parking was added.

The property at 3527 Rice Street is currently designated low density residential. Adjoining property uses include low density residential to the north, commercial to the south and mixed use with the new redevelopment site. Staff believes the change to mixed use is appropriate because this property is immediately north of the approved mixed use redevelopment. Rezoning would be a change from R1, low density residential, to PUD, which is also consistent with the approved redevelopment. The use of the property for parking will not significantly impact adjacent residential properties.

Added landscaping can be required to buffer the residential properties from the parking lot. By increasing the setback from the north property line, some landmark trees will be removed. Replacement of landmark trees shall be on a 6:1 ratio. Landscaping shall be provided along the north and west property lines. Fencing is also required on the property lines abutting single-family land uses. The maximum impervious lot coverage allowed is 70%; the overall coverage for the proposed plan is at 61.8%.

The Preliminary Plat has been amended to include 3527 Rice Street with the approved mixed use redevelopment. The plat is consistent with the City's subdivision standards.

The amendment to the PUD, Development Stage shows that parking setbacks exceed the City's minimum of 20 feet from residential property--33 feet from the north property line and 34 feet from the west property line. Access is off County Road E only. Emergency vehicle access off Rice Street will be redesigned in accordance with Ramsey County requirements.

Property owners were notified in the Rustic Place neighborhood and in the adjacent City of Vadnais Heights. Comments received raised concerns about the need for additional parking, impact to adjacent single-family homes, landscaping, screening, snow storage and on-street parking.

Staff finds the proposal consistent with criteria for a comprehensive plan amendment, rezoning and PUD. The proposed parking expansion will better address parking concerns for the mixed use redevelopment. Approval is recommended with the conditions listed in the staff report.

Mayor Martin noted that having watched the Planning Commission meeting, the vote on this matter was 4 to 2.

Mayor Martin asked for clarification of on-street parking. Ms. Castle acknowledged the concern of residents and their request that on-street parking be prohibited on Rustic Place. There is a petition process residents can pursue to prohibit parking. Mayor Martin agreed that the petition process should be followed if a problem develops. Public Works Director Mark Maloney stated that the roadway width on Rustic Place is adequate for on-street parking. A parking prohibition could be considered if there is a problem.

Mayor Martin asked if a lighting plan is included. Ms. Castle responded that at the Final Stage PUD review a lighting plan will be required that shows fixtures that are hooded and shielded and directed downward. At the property line lighting cannot exceed 4 foot candles. The height of lighting standards is recommended to not exceed 18 feet.

Councilmember Wickstrom stated that she would like to see no parking allowed on the curve from County Road E to Rustic Place. City Manager Schwerm stated that would take a separate action because Rustic Place is a public street.

Councilmember Wickstrom also requested a condition that the sidewalk also be elevated along the east property line adjacent to Rice Street.

Mr. Michael Mergens, EDG, stated that he also believes the Planning Commission vote was 4 to 2. It was his understanding that the Planning Commission's preference to table the matter, but EDG requested a vote based on the construction schedule. It was his understanding that the property at 3527 Rice Street would become part of this redevelopment, so he was not expecting the level of opposition that occurred at the Planning Commission. Consultant advice indicates that underground residential parking needs to be secure and should not be mixed with commercial and retail parking. Originally, EDG planned to use the 3527 property for more townhomes but made the change to add parking to minimize impacts to the neighborhood. The added surface parking will be thoroughly screened with landscaping and a 6-foot fence. This is a good design that addresses the concerns of the Planning Commission. He agreed that the path should be extended to the north property line, as requested by Councilmember Wickstrom.

Planning Commission Chair John Doan, stated that the Planning Commission vote was 4 to 2. The preference was to table the matter in order for the Planning Commission to have the opportunity to fully vet the plan. The revised plan does address some concerns. As the Planning Commission has not seen the revisions, he can only speak for himself. He is pleased to see that the trail along the north property line has been put back. The parking setback has been increased from the north property line, but there is a desire for even more green space that would include a dog park. The net increase of parking from the original plan is 2 stalls. The understanding of the Planning Commission is that the reduction of 52 underground parking spaces at \$20,000 per parking space amounts to over \$1 million in savings to the developer. The question for the Commission was how this savings provides a benefit to the community and neighborhood.

Mayor Martin opened the discussion to public comment in response to the proposed revisions since the Planning Commission meeting.

Ms. Janice Bundy, 3681 Rustic Place, expressed concern about the loss of underground parking. Once it has been taken out of the plan, it cannot be recouped at a later time. Not all residents of the type of clientele being promoted for the residential units will have one car. Further, increased surface parking is not aesthetically pleasing to the development. The current home at 3527 Rice Street is beautiful with beautiful landscaping. The gateway to Shoreview will become a paved parking lot. Residents would prefer to retain the original planned underground parking.

Mayor Martin asked what controls the City will have in the future by changing the zoning to mixed use. What protection will the City and neighborhood have that a type of unwanted commercial development will take place on the property at 3527? Ms. Castle responded that the permitted uses are outlined in the PUD. The underlying district of the PUD is R3, multi-family, not mixed use. Any future plan for commercial development on the property at 3527 would require a PUD amendment, which require a public hearing with approvals from the Planning Commission and City Council.

Councilmember Quigley asked the impact of the fact that the property abuts PDA 18 and a TRA (Targeted Redevelopment Area) which is guided for certain development. Ms. Castle stated that the PDA includes the commercial center site, the two single-family homes torn down and the gas station. The TRA boundaries are consistent with PDA 18.

Councilmember Wickstrom stated that it makes sense for underground parking to be restricted to residents. She asked if the underground parking is sufficient given that there may be residents with more than one car. **Mr. Mergens** responded that EDG has worked closely with the multi-family residential management firm, Stephen Scott, on this issue. There will be some tenants with no cars and some with two cars. He believes in the consultant's determination that the underground parking is sufficient.

Councilmember Wickstrom noted that with the lack of public transportation in Shoreview, she would estimate that most residents will have a car. Also, there are 35 units with two bedrooms. Further consideration should be given to increasing underground parking. **Mr. Mergens** responded that he is confident that the recommended parking ratio by the consultant is adequate. In response to any type of commercial development, he stated that the Development Agreement runs with the land. It is not possible to just make a change to put up a building.

Mayor Martin stated that part of the marketing will be that if prospective residents want two underground parking stalls and they are not available, they will find another place to live.

Councilmember Johnson stated that she respects the Planning Commission discussion and decision, but there have been rapid changes--changes to the design and a letter submitted to the City--that the Planning Commission has not had the opportunity to fully review. The issue of transparency has been raised and she would request that the letter submitted to the City, be made available as a public document. She noted that present-day residents will not necessarily be interested in driving 2 cars. However, transportation through Uber and Lyft are available in only the southernmost part of Shoreview.

Councilmember Springhorn verified that there would be a 6-foot fence for screening along the north property line.

MOTION: by Councilmember Quigley, seconded by Councilmember Johnson, to approve – the following requests submitted by Elevage Development Group LLC/Elevage Shoreview Holdings, LLC (EDG) to redevelop 3527 Rice Street and incorporate the parcel into the approved mixed use development on the adjacent properties at 157 County Road E; 185 County Road E; 3521 Rice Street and 3500 Rustic Place.

Said approval is subject to the following conditions: three conditions under the Comprehensive Plan Amendment; three conditions under Rezoning; five conditions under Preliminary Plat; 11 conditions under Planned Unit Development - Development Stage, including the addition of the new Nos. 7, 8 and 9; as well as the three findings.

Comprehensive Plan Amendment:

1. The amendment changes the land use designation from R1, Low Density Residential, to MU, Mixed Use.
2. Review and approval of the amendment by the Metropolitan Council.
3. The amendment will not be effective until the City grants approval of the Final Plat and PUD - Final Stage requests and the development agreements are executed.

Rezoning:

1. This approval rezones the property from R1, Detached Residential, to PUD, Planned Unit Development.
2. The underlying zoning district for this proposal is R3, Multi-Dwelling Residential, as it will be part of Lot 2, the mixed -use apartment complex.
3. Rezoning is not effective until approvals are received for the Final Plat, PUD - Final Stage and development agreements are executed.

Preliminary Plat:

1. A public use dedication fee shall be submitted as required by ordinance prior to release of the final plat by the City.
2. The final plat shall include drainage and utility easements along the property lines. Drainage and utility easements along the roadways shall be 10 feet wide and along the side lot lines these easements shall 5 feet wide. Other easements shall be dedicated as required by the Public Works Director.
3. Private agreements shall be secured between the parcels in the subdivision regarding the maintenance of shared facilities. Said agreements shall be submitted to the City Attorney for review and approval prior to the City's release of the Final Plat.
4. Comments received from the State of Minnesota shall be addressed in the Final Plat submittal.
5. The Final Plat shall be submitted to the City for approval with the Final Stage PUD application.

Planned Unit Development - Development Stage

1. This approval amends the previous PUD approved for the redevelopment of 157 County Road E, 185 County Road E, 3521 Rice Street and 3500 Rustic Place with a mixed use development consisting of a 5-story building that has 134 market rate apartment units and 6,800 square feet of commercial space on the first floor. Fourteen townhomes are also planned. The approved conditions and Development Agreements remain in effect. See Planning Case File 2611-16-10.
2. Access to the expanded parking lot shall be provided via the driveway off County Road E. The proposed driveway off Rice Street shall be designed for Emergency Vehicle access only per the requirements of Ramsey County.

3. Approval of the final grading, drainage, utility, and erosion control plans by the Public Works Director is required, prior to submittal to the City of applications for Final Plat and PUD - Final Stage. Final plans shall identify site construction limits and the treatment of work (i.e., driveways, parking areas, grading, etc.) at the periphery of these construction limits.
4. The developer shall secure a permit from the Ramsey Washington Metro Watershed District prior to commencing any grading on the property.
5. A Tree Protection and Replacement Plan shall be submitted with the Building Permit applications for the new homes on each parcel. Tree removal requires replacement trees per City Code. City requirements for the tree removal and protection plan shall be detailed in the Development Agreement for Construction. A financial contribution to the City's Forestry fund will be required in the event the tree replacement requirements cannot be accommodated on the development site.
6. Lighting onsite shall comply with Section 206.030, Lighting Standards of the Development Code. A luminary plan, including exterior light fixture details and pole heights shall be submitted to the City for review and approval prior to the issuance of a building permit.
7. The applicant is required to enter into an Amendment to the Site Development Agreement and Erosion Control Agreement with the City which addresses the expansion of the parking lot. Said agreements shall be executed prior to the issuance of any permits for this project.
8. This approval shall expire after two months if the Planned Unit Development Final Stage application has not been submitted for City Review and approval, as per Section 203.060 (C)(6).

This approval is based on the following findings:

1. The incorporation of the property into the adjoining property for the mixed-use development supports the policies stated in the Comprehensive Plan related to land use, housing and redevelopment.
2. The proposed redevelopment will not have a significant adverse impact on the planned land use of the surrounding property.
3. The amended parking plan better addresses the needs of the mixed use development by retaining the required parking ratio for below grade parking while providing additional surface for guests, employees and patrons.

Discussion:

City Manager Schwerm stated that condition No. 9 under Planned Unit Development-Development Stage should be amended to state that the sidewalk will be extended to the south to connect to the existing sidewalk.

Councilmember Quigley added further to condition No. 9 that the sidewalk on the eastern border shall extend to the northern property line.

Councilmembers Quigley and Johnson accepted the above changes to condition No. 9.

Mayor Martin expressed the Council's appreciation for the work done by the Planning Commission. She believes the suggestions of the Planning Commission on this application have been taken into consideration.

ROLL CALL: Ayes: Johnson, Quigley, Springhorn, Wickstrom, Martin
Nays: None

ITEMS RELATED TO 2017 TAX LEVY

A. ADOPT PRELIMINARY TAX LEVY

B. ESTABLISH DATES FOR BUDGET HEARING

Presentation by Finance Director Fred Espe

Minnesota Law requires that the City certify to Ramsey County the City's preliminary HRA levy by September 15th, and the City's preliminary tax levy with a budget hearing date by September 30, 2016. The Council holds budget workshops in October and November. The County mails estimated tax statements November 14th. The proposed date for the City's budget hearing is December 5, 2016. Adoption of the final budget and tax levy will be at the Council's December 19, 2016 Council meeting. The preliminary levy now being considered cannot be increased but may be decreased by the time of final adoption.

The objectives of the tax levy proposed are: 1) maintain existing services, programs and infrastructure; 2) meet existing debt obligations; 3) support capital replacements; and 4) make effective use of tax dollars.

The proposed 2017 tax levy results in an increase of 3.91%. Combined with the HRA levy, the increase is 3.93%. Of this amount a 3.04% increase is for General Fund operations. Public safety represents 41.23% of the levy increase. The Fire Department increase is largely for a full-time Deputy Chief position. The police increase is for an additional investigator, health insurance increases and cost of living increases. Staff salaries and benefits adjustments account for 20.31% of the levy increase. There is no increase to the debt levy. An increase of 0.79% is for Capital funds, which includes a 0.56% increase for Street Renewal; a 0.18% increase to the General Fixed Asset Replacement Fund; and a 0.05% increase to the Capital Acquisition Fund. The EDA/HRA increase is 0.10%.

Ramsey County has indicated that the median value home in Shoreview for 2017 taxes will be \$267,300. This is a 5.3% increase from 2016. The change in tax for a median valued home amounts to \$17.24 increase or 2%.

MOTION: by Councilmember Wickstrom, seconded by Councilmember Springhorn, to adopt resolution number 16-80 establishing a preliminary City tax levy of \$11,085,632, and a preliminary HRA tax levy of \$105,000 for collection in 2017.

ROLL CALL: Ayes: Quigley, Springhorn, Wickstrom, Johnson, Martin
Nays: None

MOTION: by Councilmember Wickstrom, seconded by Councilmember Springhorn, to set a public budget hearing for Monday, December 5, 2016 at 7:00 p.m. to discuss the 2017 City budget, tax levy and capital improvement program.

ROLL CALL: Ayes: Springhorn, Wickstrom, Johnson, Quigley, Martin
Nays: None

APPROVE CHANGE ORDER #1 FOR GRAMSIE ROAD REHABILITATION, CITY PROJECT 16-05

Presentation by Public Works Director Mark Maloney

Earlier this year, the City Council awarded a contract for the resurfacing of Gramsie Road using the full depth reclamation process. The contract was awarded to Northwest Asphalt on May 2, 2016, in the amount of \$531,883.42. Construction began in July with a 60-day completion period of no later than September 2, 2016.

However, this summer has experienced historically high water levels Citywide. The areas adjacent to Gramsie Road are flooded with water now extending over a low area of Gramsie Road at a depth of 1.35 feet. The pedestrian tunnel under Gramsie Road is not usable. The road was closed to traffic as of August 25, 2016 for safety reasons and is still closed.

The City assumed jurisdiction of Gramsie Road in 1992, and reconstructed it to its same elevation in 1994. The road was never closed prior to 2005. The first flooding incident on Gramsie Road was in 2014, and the road has now been closed twice in three years. Since 2005, the tunnel and adjacent City/County trails have flooded five times. It is expected that at its current elevation, Gramsie Road will flood again next year.

Staff is recommending raising the low point of Gramsie Road by two feet. The average daily traffic is approximately 4,000 cars per day. Having the roadway closed for extended periods of time is a problem. Increasing the elevation will likely result in some road settlement in the future that will require additional maintenance. Staff is recommending a rural road elevation with no curb and gutter in the event that there is a need for further maintenance. The contractor is agreeable to the additional work. The contract would be increased by \$102,473. Staff would also request consideration of building a trail segment on Gramsie Road to complete a trail adjacent to the roadway between Rice Street and Victoria. The estimated cost would be \$80,757.50. The total increase would be \$183,231.00, which would increase the contract to \$715,144.20. The project would be funded with Municipal State Aid (MSA) funds and the Community Investment Fund. If the work cannot be completed before winter because of water levels, staff will bring recommendations for traffic during winter.

Councilmember Quigley questioned if two feet would be enough and whether there are more serious conditions that need to be addressed. He noted Gramsie Road is one of the heaviest traveled roadways in the City. Mr. Maloney stated that there is a practical limitation on raising the roadway. A higher elevation would greatly increase the magnitude of project.

Councilmember Wickstrom expressed concern that additional weight with additional elevation might crack the roadway. She would not want to see the road split in half as what happened on County Road I. Mr. Maloney responded that conditions will be monitored and work will not be done until the road is dry.

Councilmember Johnson requested aggressive education on this issue to inform residents and to make sure the problem is addressed.

Mayor Martin noted that this project was originally under budget. She particularly appreciates the attention given to trails.

MOTION: by Councilmember Johnson, seconded by Councilmember Wickstrom, to adopt Resolution No. 16-82 approving Change Order No. 1 in the amount of \$183,231.00 for the Gramsie Road Rehabilitation, City Project 16-05.

Discussion:

Councilmember Springhorn asked what can be done through winter, if the work cannot be completed this year. Mr. Maloney stated that a gravel segment can be put down for the winter as a temporary driving surface. It would require a lot of maintenance.

ROLL CALL: Ayes: Wickstrom, Johnson, Quigley, Springhorn, Martin
Nays: None

ADJOURNMENT

MOTION: by Councilmember Johnson to adjourn the meeting at 8:45 p.m.

VOTE: Ayes - 5 Nays - 0

Mayor Martin declared the meeting adjourned.

THESE MINUTES APPROVED BY COUNCIL ON THE 19th DAY OF SEPTEMBER, 2016.

Terry Schwerm
City Manager